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## AIST calls for Tax file Number verification system

**The Australian Institute of Superannuation Trustees (AIST)** has called for the introduction of online 'real-time' Tax File Number (TFN) verification as part of the Government's 'Stronger Super' plan to use the TFN as the primary superannuation account identifier from July 1 this year.

In a paper released today, the Institute says online TFN verification would reduce administrative errors and ensure super funds and employers were confident of the integrity of the TFNs provided.

**AIST CEO Fiona Reynolds** said the verification could be provided at the time a new TFN was entered into the administration system and would enable the super fund to take immediate action in the event of the TFN provided being incorrect.

"The TFN is only going to work if everybody is 100% confident that the number they have in front of them is the correct one," Ms Reynolds said.

On the issue of TFN use in the auto-consolidation of multiple super accounts to reduce duplication of administration fees, AIST notes that consolidation needs to be implemented in a way that addresses legitimate concerns about insurance cover, loss of services and protection from consolidation into high-fee superannuation products.

AIST recommends that consolidation arrangements between super funds operate on an **opt-out** basis for members of MySuper products but an **opt-in** basis for members of Choice products.

Ms Reynolds said the different recommendations for MySuper and Choice members recognized that that consolidation of super accounts would benefit for members who were not engaged with their super while engaged members may have made conscious decisions to hold multiple accounts.

AIST further recommends that the SuperStream subgroup to be tasked with liaising with APRA and the superannuation industry develop a set of guidelines to address consolidation between super funds.

Other recommendations contained in the AIST paper include:

- That super funds review their privacy policies following any change to the allowable use of TFNs
- That the Government make a specific and immediate commitment to funding ATO costs related to the extension of TFN as the primary identifier
- That an individual's quotation of their TFN voluntary

A copy of the AIST paper: *The silver bullet? Using TFNs as the primary superannuation account identifier* is available for download at [www.aist.asn.au](http://www.aist.asn.au)

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*AIST is the peak industry body for the \$450 billion not-for-profit super sector which includes industry, corporate and public sector funds covering the super interests of nearly 2/3 of the Australian workforce.*